

Message Text

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FM AMEMBASSY THE HAGUE

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SUBJECT: ELECTRONIC DIALOGUE - REVERSE PORTFOLIO INVESTMENT

REF: USIA 7875

1. USIS THE HAGUE WORKS VERY CLOSELY WITH EMBASSY ECONOMIC AND COMMERCIAL SECTIONS IN PROMOTING VARIOUS ASPECTS OF EMBASSY'S ONGOING COUNTRY COMMERCIAL PROGRAM. COOPERATION IN PAST HAS FOCUSED ON TOURISM PROMOTION AND FOREIGN DIRECT INVESTMENT IN U.S. WE WOULD NOW LIKE TO TAKE IT ONE STEP FARTHER. EMBASSY ECONOMIC SECTION PLAYED ROLE IN OUR VERY SUCCESSFUL ENERGY ELECTRONIC DIALOGUE JANUARY 17, WAS IMPRESSED BY EFFECTIVENESS OF THIS TOOL, AND NOW REQUESTS OUR ASSISTANCE IN ARRANGING AN ED TO PROMOTE DUTCH PORTFOLIO RPT PORTFOLIO INVESTMENT IN U.S. WHILE AGENCY HAS NOT FOLLOWED UP ON REFTEL WITH CLARIFICATION RE WHAT FUTURE POLICY WILL BE RE FOREIGN INVESTMENT IN U.S., WE WOULD HOPE AGENCY'S SPEEDY BLESSING ON THIS PROPOSED PROJECT.

2. EMBASSY PROPOSES CONVENE KEY FIGURES IN DUTCH INVESTMENT COMMUNITY O/A JUNE 4 TO VIEW VTR INTERVIEW AND TAKE PART IN E.D. DISCUSSION WITH A KEY USG ECONOMIC POLICY MAKER (SEE "SPEAKER" BELOW). PURPOSE OF PROGRAM WOULD BE TO REINFORCE CONFIDENCE IN U.S. ECONOMY AMONG GROUP OF INVESTORS MANAGING PORTFOLIOS WHICH ALREADY INCLUDE BILLIONS OF DOLLARS IN AMERICAN CORPORATE SECURITIES AND WHO CAN IF THEY WISH, INCREASE THESE HOLDINGS SUBSTANT-

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ially. EVENT WOULD BE JOINTLY SPONSORED BY EMBASSY AND GROUP OF AMERICAN SECURITIES BROKERAGE FIRMS HERE. LATTER WILL FOOT ALL BILLS AT THIS END. WE PROPOSE THIS FORMAT: HALF-HOUR (MAXIMUM) VTR INTERVIEW WITH US SPEAKER WOULD BE FOLLOWED BY BRIEF PERIOD IN WHICH PARTICIPANTS WOULD FORMULATE QUESTIONS; THEN THERE WOULD BE DIRECT TELEPHONE LINK ESTABLISHED FOR Q AND A SESSION. THE TARGET GROUP HERE WOULD BE OF TOP QUALITY--APPROXIMATELY 30 EXPERIENCED DUTCH MANAGERS OF LARGE INVESTMENT PORTFOLIOS WHO ARE ALREADY INTIMATELY ACQUAINTED WITH US MARKET AND WHOSE INVESTMENT SOPHISTICATION IS LITERALLY UNSURPASSED IN EUROPE. THEY ADMINISTER, FOR EXAMPLE PENSION FUNDS OF SHELL, UNILEVER AND PHILIPS AS WELL AS SEVERAL INVESTMENT FUNDS AND INSURANCE COMPANIES.

3. SPEAKER -- WE BELIEVE THAT TOP LEVEL USG ECONOMIC POLICY-MAKING, INTERNATIONALLY KNOWN "NAME" WOULD BE NEEDED TO ATTRACT THIS GROUP, AND WOULD HOPE THAT AGENCY COULD FIND ONE OF FOLLOWING AVAILABLE AND WILLING TO DO VTR INTERVIEW AND ED: A) FED CHAIRMAN ARTHUR BURNS B) CEA CHAIRMAN HERBERT STEIN. IF NONE OF ABOVE OR OTHER USG OFFICIAL OF COMPARABLE STATURE AVAILABLE, BELIEVE NON USG OFFICIAL SUCH AS CHAIRMAN OF SEC OR CHIEF EXECUTIVE OF LARGE AMERICAN COMMERCIAL BANK LIKE CHASE, NCB OR MORGAN WOULD FILL THE BILL. WOULD EXPECT SPEAKER TO COVER CURRENT TRENDS AND FUTURE OUTLOOK IN US ECONOMY WITH PARTICULAR REFERENCE TO LIKELY IMPACT ON SECURITY VALUES. US POLICIES RE FREE INTERNATIONAL FLOW OF CAPITAL SHOULD BE EMPHASIZED.

4. TIMING -- REALIZE JUNE 4 DOES NOT ALLOW AGENCY MUCH TIME TO LINE UP SPEAKER AND MAKE ARRANGEMENTS. THAT DATE IS, UNFORTUNATELY, ABOUT LATEST THAT WILL CATCH ALL OF KEY TARGET GROUP STILL IN TOWN BEFORE VACATION PERIOD HITS. ON JUNE 4 WE WOULD HOPE HAVE ED LINK ESTABLISHED AT 1300 LOCAL (0800 WASHINGTON) WHICH IS PRETTY EARLY FOR A VIP, BUT ANY LATER IN DAY HERE CLASHES WITH PEAK WALL STREET ACTIVITY, AND WE WOULD LOSE AUDIENCE.

5. APPRECIATE AGENCY ADVISE SOONEST IF PROPOSED PRGAM FEASIBLE AND IF SO WHO US SPEAKER WOULD BE.
CHAPMAN

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